

Rothman Calls for Halt to Oil Speculation

Congressman Rothman join colleagues on Capitol Hill to announce legislation to reduce oil speculation in the energy markets. Experts agree that speculation is inflating the price of oil, possibly as much as \$70 a barrel.

Pictured

(L-R): Reps. Bill Pascrell (D-NJ), Christopher Murphy (D-CT), David Wu (D-OR), Peter Welch (D-VT), and John Larson (D-CT)

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On Thursday, June 26, 2008, Congressman Steve Rothman (D-NJ) joined a group of his colleagues on Capitol Hill to announce legislation to reduce oil speculation in the energy markets. Experts agree that speculation is inflating the price of oil, possibly as much as \$70 a barrel. Even oil company executives and the Bush Administration's own political appointee have testified before Congress that speculation is a cause of exorbitant oil prices.

As a co-sponsor of the Consumer Oil Price Protection Act (H.R.6264), Rothman urged the bill's swift passage during a press conference on the Cannon Rotunda: "Our country is in the middle of an energy crisis and Americans are struggling to afford record high gas prices. Meanwhile, oil speculators are getting rich at the expense of everyone else. This type of betting against the market is artificially distorting the price of oil and undermining the entire free market economy. Congress must regulate and reduce oil speculation and pass those savings on to the American consumer."

The Consumer Oil Price Protection Act (H.R.6264) would limit speculation on the energy futures markets by requiring that traders who wish to participate in the oil market have the capacity to manufacture, store, or ship the oil that they trade, thereby ensuring that speculators have a vested interest in their dealings. This requirement would restore real, un-inflated supply and demand to the oil trading market. The legislation, introduced by Reps. John Larson (D-CT) and Frank LoBiondo (R-NJ) has over 100 co-sponsors, Republicans and Democrats.

In March, Guy Caruso, Administrator of the Energy Information Administration for the Bush Administration, testified before the U.S. Senate that speculation adds as much as 10% to the price of oil, while testimony from the private sector suggested prices could be inflated by as much as 100%. In 2000, \$9 billion dollars were invested in the oil futures market. Today, that number has risen to \$250 billion.

Additional Efforts

As a member of the Renewable Energy and Energy Efficiency Caucus, Rothman is working to establish a national energy policy that balances immediate relief for consumers with a long-term goal of decreasing our dependence on foreign oil. The Congressman recently voted in favor of a number of energy bills that would:

- Direct the Commodity Futures Trading Commission to examine excessive oil speculation and use their emergency powers to take corrective actions;

- Increase federal funding for mass transportation and alternative energy sources for automobiles, buses, and industry, to help Americans struggling with high gas prices and reduce demand for foreign oil, which can in turn affect price; and

- Give U.S. authorities the ability to prosecute anti-competitive conduct committed by international cartels like OPEC that restricts supply and drives up prices.

In May, Rothman helped pass legislation that suspended the filling of the Strategic Petroleum Reserve on June 30, which will put more oil on the market to help drive down gasoline prices. In addition, he voted in favor of the Renewable Energy and

Job Creation Act, legislation that will increase tax incentives for investment in renewable energy, reduce our dependence on oil-rich nations, create hundreds of thousands of green jobs, and spur American innovation and business investment. Unfortunately, President Bush has threatened to veto this important legislation. This Congress also passed historic legislation to increase vehicle fuel efficiency standards for the first time in 32 years, to 35 miles per gallon by 2020.

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